The road to independence

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Background to the Swedish NAO

› Predecessors going back to the 17th century
› The Parliamentary Auditors in 1810, National Accounts Authority in 1921
› 1990s: Debates on independence
› 2000: Parliament decides unanimously on the establishment of a National Audit Office under Parliament
› July 1, 2003: The Swedish NAO begins its operations
› January 1, 2011: Reformed reporting to Parliament on PA. Reports directly to Parliament. The board is abolished. Clarifications concerning the leadership of the NAO.
Context of reform in Sweden

›From “Details and Rules” to “Objectives and Goals”
›Economic crisis in Sweden in the early 1990’s
›International perspectives - Sweden was chair of EUROSAI
›The European Union - “Europeanization”
The first stage of independence 2003

› One audit under the Riksdag
› Independent audit in the constitution and a audit law
› Three independent auditors general
› The scope of audit extended to the government
› The auditors general can make proposals to the Riksdag on issues concerning their mandate

› But…
› The auditors general report (on PA) to a board of parliamentarians and ex-parliamentarians who decides what findings should be considered by parliament
› The board formally decides on the proposal for appropriations as well as the annual financial report of Riksrevisionen
The second stage of independence 2011

› Review of the reform
› The board abolished, a council of parliamentarians
› Reporting directly to parliament
› One of the auditors general responsible for management
  – Decides on proposal on appropriations
  – Decides on the annual financial statement
Threats to independence in Europe

› Audit gaps when competence is transferred to the EU level
› Additional tasks for SAI:s taking resources from auditing
› Budget cuts
› Failure in providing stakeholders with relevant audits
More Independence

✓ Educate decision makers (parliament and governments)
  ✓ INTOSAI could provide information about auditing in a format that is easily accessible for decisions makers
  ✓ Good examples of legislation

✓ Provide legislature with relevant audits of high quality
  ✓ Demonstrate how we chose our audits by making a comprehensive risk analysis
  ✓ Ensure the quality of our work by applying ISSAIs
Some lessons from Capacity Building Projects

› Strong relationship between adequate legal framework and the successful implementation of auditing standards
› Legal framework must be clear on mandates, types of audits, entities
› But also on reporting, responsibilities of auditees etc.